

Message Text

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SUBJECT: U S INVESTMENT IN CANADIAN RESOURCE

INDUSTRIES: PRESS COMMENT

1. LEAD EDITORIAL IN JUNE 22 HALIFAX CHRONICLE-HERALD IS ENTITLED "PRIORITY ON DEVELOPMENT" AND, AFTER MAKING PERFUNCTORY BOW TOWARD OTTAWA'S OBJECTIVE, VOICED DURING 1974 ELECTION CAMPAIGN, OF 50 TO 60 PERCENT CANADIAN OWNERSHIP FOR NEW RESOURCE PROJECTS, EXPRESSES VIEW THAT SUCH A GOAL IS UNREALISTIC. THE NEED NOW, THE EDITORIAL INDICATES, IS FOR MORE DEVELOPMENT, BUT THE FLOW OF NEEDED ALIEN INVESTMENT FUNDS INTO CANADA HAS BEEN HINDERED IN RECENT YEARS BECAUSE OF THE STATED AIM OF CANADIAN OWNERSHIP. "OUR POPULATION IS SMALL," THE EDITORIAL SAYS,

"ITS FINANCIAL CAPACITY IS LIMITED.

FEW CANADIANS ARE ABLE TO AFFORD RISK

INVESTMENTS. THEY HAVE TO PUT THEIR

MONEY WHERE IT IS SECURE AND WHERE THE

RETURNS, EVEN THOUGH THEY BE LESS THAN

MIGHT OTHERWISE BE AVAILABLE, MUST BE

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DEPENDABLE. FROM WHAT LITTLE THEY HAVE, CANADIANS HAVE TO OBTAIN THE MOST RETURN AT THE LEAST RISK. ONE RESULT IS THAT, INSTEAD OF INVESTING AT HOME, THEY ARE PUTTING THEIR MONEY OUTSIDE THE COUNTRY, TYING IT UP, FOR EXAMPLE, IN REAL ESTATE SOUTH OF THE BORDER.

"PERHAPS THAT OBSERVATION INVITES
THE JUDGMENT OF BEING UNPATRIOTIC. IT
REALLY IS NOT. RATHER, IT IS AN EXPRESSION
OF THE FACTS OF LIFE IN THE CONTEMPORARY
CANADIAN ECONOMY.

"SO THE MONEY WE NEED TO DEVELOP
OUR RESOURCES MUST COME FROM ABROAD.
THAT MEANS FOREIGN OWNERSHIP WHICH,
REGRETTABLE AS IT MAY BE, ALSO IS A FACT
OF LIFE IN THE CANADIAN ECONOMY. OUR
PRESENT NOVA SCOTIAN INTEREST IN THE
ENERGY POTENTIAL OF THE TIDES OF FUNDY
WILL NEVER BE REALIZED WITH OUT FOREIGN
CAPTIAL.

"CANADIAN OWNERSHIP OF RESOURCES IS TO BE
DESIRED BUT IT IS A GOAL WE CANNOT AFFORD
IF THE PRICE INVOLVES A RESTRICTION OF
DEVELOPMENT."

2. COMMENT: THE EDITORIALIST'S RENTIER PHILOSOPHY
IS DOUBTLESS SHARED BY A GOOD PERCENTAGE OF CANADIANS
WITH MONEY TO INVEST, BUT PROBABLY FEW OF THEM WOULD
BE WILLING TO ADMIT SO PUBLICLY AND UNBLUSHINGLY THEIR
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FISCAL TIMIDITY. HERE IN ATLANTIC CANADA, MOREOVER,
EVEN THOSE INVESTORS WHO ARE RISK-TAKERS ADMIT THAT
LOCAL, REGIONAL, AND NATIONAL SOURCES OF CAPITAL
ARE ALTOGETHER INADEQUATE TO FINANCE THE VAST PROJECTS
(GULL ISLAND, FUNDY TIDAL POWER, ETC.) ON WHICH SO
MANY OF THIS REGION'S HOPES ARE PINNED. CRITICISM
OF FOREIGN INVESTMENT, THEN, TENDS TO COME FROM
CENTRAL CANADA AND WESTERN CANADA FAR MORE FREQUENTLY
THAN IT DOES FROM ATLANTIC CANADA. THE ONLY COMPLAINT
ABOUT FOREIGN MONEY AROUND HERE THAT ONE HEARS ABOUT
IS THAT THERE ISN'T ENOUGH OF IT. END COMMENT.

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